

Message Text

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PAGE 01 STATE 215790

43

ORIGIN NEA-16

INFO OCT-01 ISO-00 PM-07 NSC-07 SP-03 SS-20 RSC-01 CIAE-00

DODE-00 INR-11 NSAE-00 PA-04 USIA-15 PRS-01 EB-12

TRSE-00 AGR-20 COME-00 IGA-02 AID-20 SSO-00 NSCE-00

INRE-00 /140 R

DRAFTED BY NEA/PAB:DBLAKEMORE/NH

APPROVED BY NEA/P:GSHERMAN

NEA/PAB:RAPECK

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O R 011535Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY DACCA IMMEDIATE

INFO AMEMBASSY NEW DELHI

UNCLAS STATE 215790

E.O. 11652: N/A

TAGS: PFOR, EAID, BG

SUBJECT:PRESS GUIDANCE ON PL 480 AND CUBA TRADE

REF: DACCA 4432

1. FOLLOWING PRESS GUIDANCE ON SUBJECT QUESTION PROVIDED
DEPT SPOKESMAN OCTOBER 1:

QUOTE

QUESTION: IS IT TRUE FOOD AID TO BANGLADESH HAS BEEN HELD
UP BECAUSE THEY WERE EXPORTING GUNNY SACKS TO CUBA?

ANSWER: WE BECAME AWARE LAST JUNE THAT THE STATE-
CONTROLLED BANGLADESH JUTE EXPORT CORPORATION HAD CON-
TRACTED TO SUPPLY A QUANTITY OF JUTE BAGS TO CUBA. SINCE
PL-480, THE LEGISLATION GOVERNING CONCESSIONAL FOOD AID,
PROHIBITS SUCH ASSISTANCE TO NATIONS WHICH TRADE WITH CUBA,
THERE WAS SOME DELAY IN REACHING A PL-480 AGREEMENT WITH
BANGLADESH FOR FY-75.

I UNDERSTAND THAT THE DIFFICULTY HAS NOW BEEN RESOLVED.

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PAGE 02 STATE 215790

WITHIN THE NEXT FEW DAYS WE EXPECT TO SIGN A NEW AGREE-

MENT FOR INITIAL DELIVERY OF 150,000 TONS OF FOODGRAINS FOR THIS FISCAL YEAR.

QUESTION: DOES THIS MEAN THAT BANGLADESH HAS CEASED EXPORTING JUTE BAGS TO CUBA?

ANSWER: ONLY ONE SHIPMENT OF JUTE BAGS WAS INVOLVED AND THAT TRANSACTION IS NOW COMPLETED.

QUESTION: WHY WAS NOT A SIMILAR PROHIBITION ENFORCED AGAINST EGYPT?

ANSWER: THE RELEVANT LEGISLATION PERMITS A PRESIDENTIAL WAIVER OF THIS PROHIBITION WHEN THE NATIONAL INTEREST OF THE UNITED STATES IS INVOLVED. SUCH A WAIVER IS POSSIBLE, HOWEVER, ONLY WHEN THE GOODS SOLD ARE MEDICINE, FOOD, OR RAW AGRICULTURAL MATERIALS. BANGLADESH WAS SELLING JUTE BAGS, WHICH ARE A MANUFACTURED PRODUCT, AND THE LEGISLATION PRECLUDED A WAIVER. EGYPT'S TRADE WITH CUBA INVOLVED CATEGORIES WHICH PERMIT A PRESIDENTIAL WAIVER, WHICH WAS GRANTED THIS SUMMER BASED UPON A DETERMINATION BY THE PRESIDENT THAT THE FURNISHING OF THE COMMODITIES WAS IN THE NATIONAL INTEREST.

QUESTION: WHAT IS THE EGYPTIAN TRADE WITH CUBA?

ANSWER: I DO NOT HAVE ALL THE DETAILS. I UNDERSTAND THAT EGYPTIAN TRADE WITH CUBA HAS BEEN RUNNING AT APPROXIMATELY \$5 MILLION ANNUALLY, MUCH OF WHICH IS IN RICE, SOME FRUIT AND VEGETABLES.

QUESTION: HAS THERE BEEN A DELAY IN GETTING EMERGENCY FOOD TO BANGLADESH BECAUSE OF THIS PROHIBITION?

ANSWER: THE PRIMARY CAUSE FOR ANY DELAY HAS BEEN OUR OWN DIFFICULTY IN DETERMINING HOW MUCH FOOD CAN BE ALLOCATED THIS YEAR TO THE PL-480 PROGRAM, BECAUSE OF OUR OWN SUPPLY AND FINANCIAL PROBLEMS.

QUESTION: WAS THERE ADDITIONAL DELAY BECAUSE OF THIS PROHIBITION?

ANSWER: I UNDERSTAND THERE WAS A DELAY OF PERHAPS 2 TO 3 WEEKS BUT I WOULD NOT CALL THAT SIGNIFICANT. WE EXPECT UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 215790

TO HAVE AT LEAST 150,000 TONS OF FOODGRAINS TO BANGLADESH AT THE TIME OF THEIR ESTIMATED GREATEST NEED, BEFORE THE DECEMBER HARVEST. UNQUOTE.

2. WOULD APPRECIATE EMBASSY'S VIEWS AS TO HOW THIS SUBJECT SHOULD BE TREATED, IF AT ALL, BY VOA. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, FOREIGN ASSISTANCE LAW, FOREIGN ASSISTANCE, PL 480 TITLE 1, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 01 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE215790
Document Source: CORE
Document Unique ID: 00
Drafter: DBLAKEMORE/NH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740276-1071
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741082/aaaacsne.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: DACCA 4432
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 11 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 MAR 2002 by chappeld>; APPROVED <04 FEB 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RESS GUIDANCE ON PL 480 AND CUBA TRADE
TAGS: PFOR, EAID, BG, US, CU
To: DACCA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005